

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Saint Lucas Post Office  
Saint Lucas, Iowa

Docket No. A2012-6

REPLY BRIEF OF THE PUBLIC REPRESENTATIVE

(December 14, 2011)

I. INTRODUCTION AND BACKGROUND

On October 5, 2011, the Commission docketed the petition for review of the Postal Service's decision to close the Saint Lucas Post Office.<sup>1</sup> On October 7, 2011, the Commission issued an order instituting the current review proceedings, appointing a Public Representative, and establishing a procedural schedule.<sup>2</sup> Thereafter, on October 20, 2011, the Postal Service filed an electronic version of the administrative record concerning its Final Determination, Postal Service Docket Number 1380394-52166.<sup>3</sup> On November 8, 2011, Dennis and Janet Kuennen, filed a Participant Statement in which they set forth their objections to the closure of Saint Lucas Post Office.<sup>4</sup> On

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<sup>1</sup> Letter filed by Dennis and Janet Kuennen, October 5, 2011. The Commission received four additional petitions regarding the closing of the Saint Lucas Post Office: (1) Letter filed by the City of St. Lucas, Iowa, October 19, 2011; (2) Letter filed by John A. Grimes, October 19, 2011; (3) Letter filed by Chris Drilling, October 21, 2011; and (4) Letter filed by Louise Dietzenbach, November 2, 2011. Collectively, these comments refer to the authors of the letters received in this docket as "Petitioners."

<sup>2</sup> Notice and Order Accepting Appeal and Establishing Procedural Schedule, October 7, 2011. (Order No. 902).

<sup>3</sup> United States Postal Service Notice of Filing, October 20, 2011. (AR).

<sup>4</sup> Participant Statement of Dennis and Janet Kuennen, November 8, 2011. The Commission received two additional Participant Statements: (1) Participant Statement of the Town of Saint Lucas, November 10, 2011; and (2) Participant Statement of Chris Dilling, November 15, 2011.

November 21, 2011, the Postal Service filed comments supporting its closure determination.<sup>5</sup>

## II. STATEMENT OF FACTS

The Saint Lucas Post Office is an EAS-55 level post office in Saint Lucas, Iowa, located in Fayette County. AR, Item No. 1 at 1. The Saint Lucas Post Office provides service to 75 post office box customers. *Id.*

On February 23, 2011, the Manager of Post Office Operations requested permission to investigate the possible closure of the Saint Lucas Post Office. *Id.* The District Manager approved the request. *Id.*

On March 11, 2011, the Postal Service notified customers of the Saint Lucas Post Office of a "possible change in the way your postal service is provided." AR, Item No. 21 at 1. As described in the notice, customers were given the option of receiving pickup and delivery of their mail, as well as the sale of stamps and other postal services from the Waucoma Post Office<sup>6</sup> located six miles away. *Id.* Included with the notice was a questionnaire to be completed and returned by March 31, 2011. *Id.* In addition, customers were invited to attend a public meeting on March 31, 2011, at which Postal Service representatives would be available to answer questions. *Id.*

Of the 75 questionnaires distributed by the Postal Service, 36 were completed and returned: 8 responded favorably; 12 expressed opposition or concern; and 16 expressed no opinion. AR, Item No. 23 at 1. The meeting was held on March 31, 2011, as scheduled with 33 customers in attendance. AR, Item No. 24 at 1.

On May 26, 2011, a formal proposal to close the Saint Lucas Post Office was forwarded to that post office for posting for a period of sixty days. AR, Item No. 31 at 1. An invitation to file comments was also posted in the Saint Lucas Post Office. *Id.*

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<sup>5</sup> United States Postal Service Comments Regarding Appeal, November 21, 2011. (Postal Service Comments).

<sup>6</sup> On May 19, 2011, the proposed administrative post office was changed from the Waucoma Post Office to the Western Union Post Office. AR, Item No. 1 at 2. The Final Determination at 2 states that Western Union Post Office is nine miles from the Saint Lucas Post Office.

However, no comments were received during the posting period that ended August 7, 2011. AR, Item No. 38 at 1.

On August 19, 2011, the Final Determination to close the Saint Lucas Post Office was approved.<sup>7</sup> The decision was based upon (1) declining workload; (2) declining volumes; (3) declining revenues; as well as (4) the ability of the Postal Service to provide effective and regular service by an alternate means. *Id.* at 2. The Postal Service estimated that it would save \$22,755 annually from closing the Saint Lucas Post Office. *Id.* at 7.

### III. POSITIONS OF THE PARTIES

#### A. The Petitioners

Collectively, the Petitioners raise five issues in opposition to the closing of the Saint Lucas Post Office: (1) the impact of the closing on the community; (2) the impact of the closing on maintaining effective and regular service; (3) the effect of the proposal on postal employees; (4) the calculation of estimated economic savings is inaccurate; and (5) the consideration of alternatives to closing the Saint Lucas Post Office.

#### B. The Postal Service

On November 21, 2011, the Postal Service filed comments in lieu of the answering brief permitted by Order No. 902. In that filing, the Postal Service supports its decision to close Saint Lucas Post Office, on the basis that it has (1) followed the proper procedural requirements of 39 U.S.C. 404(d); (2) considered the impact on the community; (3) considered the impact on the closing on maintaining effective and regular service; (4) adequately considered the economic savings that would result from

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<sup>7</sup> Final Determination to Close the Saint Lucas, IA Post Office and Establish Service by Rural Route Service, posted September 12, 2011. (FD).

the closing ; (5) considered the effect on postal employees; and (6) considered other factors consistent with the mandate of 39 U.S.C. 404(d)(2)(A). Postal Service Comments at 3-17. In addition, the Postal Service asserts that it accurately determined that providing rural route service to cluster box units (CBUs) is the most cost-effective solution for providing regular and effective service to the Saint Lucas community. *Id.* at 17.

#### IV. STANDARD OF REVIEW AND APPLICABLE LAW

##### A. Standard of Review

The Commission's authority to review post office closings provided by 39 U.S.C. § 404(d)(5). That section requires that the Postal Service's determination be reviewed on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds are: (A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (B) without observance of procedure required by law; or (C) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

##### B. The Law Governing Postal Service Determinations

Prior to making a final determination to close or consolidate a post office, the Postal Service is required by 39 U.S.C. § 404 to consider: (i) the effect of the closing on the community served; (ii) the effect on the employees of the Postal Service employed at the office; (iii) whether the closing is consistent with the Postal Service's provision of "a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining;" (iv) the economic savings to

the Postal Service due to the closing; and (v) such other factors as the Postal Service determines are necessary. See 39 U.S.C. § 404(d)(2)(A).

In addition, the Postal Service's Final Determination must be in writing, address the aforementioned considerations, and be made available to persons served by the post office. 39 U.S.C. § 404(d)(3). Finally, the Postal Service is prohibited from taking any action to close a post office until 60 days after its final determination is made available. 39 U.S.C. § 404(d)(4).

#### V. ADEQUACY OF THE POSTAL SERVICE'S FINAL DETERMINATION

After careful review of the Postal Service's Final Determination, the materials in the Administrative Record, the arguments presented by Petitioners and the Petition submitted by customers of the Saint Lucas Post Office, and the Postal Service Comments, the Public Representative concludes that the Postal Service has followed applicable procedures, that the decision to close the Saint Lucas Post Office is not arbitrary or capricious, and that the Postal Service's decision is generally supported by substantial evidence.

While the Postal Service's decision to close Saint Lucas Post Office is consistent with title 39, the calculated economic savings are overstated. As the Petitioners point out, including the savings related to the postmaster's salary and benefits is misleading.<sup>8</sup> The Petitioners note that since a Postmaster Relief (PMR) has operated the Saint Lucas Post Office for many years, the Postal Service has already saved \$7,000 in benefits annually.<sup>9</sup> The Petitioners imply that this is grounds to remove the savings related to postmaster benefits from the Postal Service's economic savings calculations. The Postal Service argues that its savings estimates are forward-looking and that because it has paid less in salary and benefits over the past years does not necessarily mean that

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<sup>8</sup> See Participant Statement of Dennis and Janet Kuennen at 2 and Participant Statement of Chris Dilling, at 1.

<sup>9</sup> See AR, Item No. 1 at 1, which indicates that the postmaster position has been vacant since May 3, 2003. See, e.g., AR, Item No. 18 at 1; AR Item No. 21 at 1; AR, Item No. 33 at 2 and 8; FD at 2 and 7.

it could count on those savings annually in the future. The Public Representative disagrees and concludes that since the Saint Lucas Post Office has operated without postmaster for almost a decade, it is not likely that Saint Lucas would obtain a postmaster in the future.

In addition to the inflated cost estimate, the Petitioners bring up an interesting point related to closing the Saint Lucas facility that was not adequately addressed by the Postal Service. The Petitioners suggest alternatives that would reduce costs without having to close Saint Lucas Post Office including cutting hours and closing on Saturdays.<sup>10</sup> In its Comments, the Postal Service explains that it has determined that rural route service to CBUs is more cost-effective than maintaining the St. Lucas postal facility and postmaster position. Postal Service Comments at 17. However, this does not demonstrate that the Postal Service previously considered the Petitioners' suggested alternatives. The Postal Service does not show the comparative cost savings from reducing hours or closing on Saturday. An analysis of these two components would help support the Postal Service's claim that it has considered the Petitioners' proposed alternatives.

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<sup>10</sup> See Letter by Dennis and Janet Kuennen at 1; Letter by the City of Saint Lucas at 1; Letter by Louise Duetenbuch at 1. See *also* Participant Statement of Dennis and Janet Kuennen at 2 and Participant Statement of the City of Saint Lucas at 1.

## VI. CONCLUSION

For the reasons set forth above, the decision of the Postal Service to close the Saint Lucas Post Office should be affirmed.

Respectfully Submitted,

/s/ Derrick D. Dennis  
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